



Legislative Bulletin.....June 3, 2004

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H.R. 444—Back to Work Incentive Act of 2003

Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 1

Year to Date Prior to Today's Bills: 18

Total Cost of Discretionary Authorizations: \$0

Year to Date Prior to Today's Bills: At least \$649.17 billion[#] over five years

Total Amount of Revenue Reductions: \$0

Year to Date Prior to Today's Bills: \$118.4 billion over five years

Total Change in Mandatory Spending: \$0

Year to Date Prior to Today's Bills: \$10.4 billion over five years

Total New State & Local Government Mandates: 0

Year to Date Prior to Today's Bills: 15[#]

Total New Private Sector Mandates: 0

Year to Date Prior to Today's Bills: 13

[#] This figure does not include H.R. 3873, the Child Nutrition Improvement and Integrity Act.

H.R. 444—Back to Work Incentive Act of 2003 (Porter)

Order of Business: The bill is scheduled for consideration on Thursday, June 3rd, under a closed rule (H.Res. 656). The rule provides for one motion to recommit. Under the rule, an amendment in nature of a substitute, consisting of the text of H.R. 4444, shall be considered as adopted. The summary below reflects the text of the substitute.

Summary: H.R. 444 would establish a new Personal Reemployment Accounts (PRA) pilot grant program under the Workforce Investment Act of 1998 (WIA). Under the program, the Secretary of Labor would make competitive grants to eligible entities (states or local workforce boards) to provide personal reemployment accounts to eligible individuals (criteria

for eligibility would be determined by the eligible entity, but the person must be receiving unemployment compensation and be likely to exhaust those benefits). Eligible entities would be required to submit an application to the Secretary describing:

- The methods and procedures for providing funds to local areas;
- Account eligibility criteria;
- The methods and procedures that will be used to provide information on services and providers;
- The safeguards that will be used to ensure that account funds are used for authorized purposes and to ensure the quality of services and providers; and
- How activities related to the accounts will be coordinated with other activities carried out under WIA.

Details of Personal Reemployment Accounts:

- An individual may receive only one account.
- The amount of the account would be established by the entity awarded the grant, but may not exceed \$3,000.
- The account may be used for up to one year after the date it is established.
- Funds in the account are nontransferable.
- Allowable uses of the account include: intensive services (such as skill assessments, counseling, or career planning), training services, and supportive services (such as transportation and child care). A recipient of an account may not receive these types of services funded through other parts of WIA.
- The account may be used to purchase services through the WIA one-stop delivery system or through other providers. Costs may be paid directly by the eligible entity on behalf of the account recipient or the account recipient can be reimbursed (with cost documentation).
- If an account recipient obtains full-time employment before the 13th week of unemployment or before the 13th week after the account is established, the balance of the account will be paid directly to the individual in cash. Of the balance, 60 percent will be provided at the time of employment and the remaining 40 percent after 26 weeks of employment retention (if the person again becomes unemployed, this remaining 40 percent may be used for services, but the individual would not be eligible for any additional cash payments).

Additional Background: The President included a larger proposal of \$3.6 billion for PRAs in his 2003 economic stimulus package. In the Administration's FY05 budget, \$50 million was requested for a PRA pilot program.

Committee Action: No committee action was taken on the legislation that includes the text of the substitute (H.R. 4444). The Education and the Workforce Committee did consider broader legislation (H.R. 444), based on the President's proposal of 2003, which was favorably reported to the full House by a vote of 23-22.

Administration Position: The Administration supports the establishment of PRAs.

Cost to Taxpayers: An official cost estimate for H.R. 444 is not available and the bill does not include a specific authorization level for PRAs. The PRAs would be funded through the existing demonstration program authority in WIA, which is currently authorized at “such sums.” In FY04, the demonstration programs received \$62 million.

Does the Bill Create New Federal Programs or Rules?: Yes, the bill creates a new Personal Reemployment Accounts pilot grant program within WIA.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: A committee report citing constitutional authority is not available.

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